Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: KeeSun Corporation
Well Name/Number: McCormick #15-35
Location: SW SE Section 35 T32N R4W
County: Toole **MT; Field (or Wildcat)** Wildcat

Air Quality

(possible concerns)
Long drilling time: No, 3 to 4 days drilling time.
Unusually deep drilling (high horsepower rig): No, small single derrick drilling rig, about 500 HP (Estimated) to drill to 2900' TD.
Possible H2S gas production: No, no H2S anticipated.
In/near Class I air quality area: No not in a Class I air quality area.
Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-211.

Mitigation:
- X Air quality permit (AQB review)
- __ Gas plants/pipelines available for sour gas
- __ Special equipment/procedures requirements
- __ Other:_____

Comments: No special concerns – using small rig to drill to 2900' TD.

Water Quality

(possible concerns)
Salt/oil based mud: No, freshwater, freshwater mud system, air, air mist.
High water table: No high water table anticipated.
Surface drainage leads to live water: No, closest drainages are unnamed ephemeral drainages, about, 1/8 of a mile to the west, 3/8 of a mile to the east and south from this location.
Water well contamination: No, closest water wells are about 1/2 of a mile to the northwest from this location. Surface hole in this well will be drilled to 300' with freshwater and/or air. Steel surface casing will be run and cemented to surface to protect ground water if any.
Porous/permeable soils: No, sandy silty bentonitic soils.
Class I stream drainage: No Class I stream drainages.

Mitigation:
- __ Lined reserve pit
- X Adequate surface casing
- __ Berms/dykes, re-routed drainage
- __ Closed mud system
- __ Off-site disposal of solids/liquids (in approved facility)
- __ Other: _____

Comments: 300' of surface casing cemented to surface adequate to protect freshwater zones. Also, air/air mist and/or fresh water mud systems to be used.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings: No, stream crossings anticipated. Crossing only ephemeral drainages.
High erosion potential: No, small cut, up to 4.9' and small fill, up to 4.1', required.
Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.
Unusually large wellsite: No, 200'X200' location size required.
Damage to improvements: Slight, surface use is a cultivated field (CRP).
Conflict with existing land use/values: Slight

Mitigation

__ Avoid improvements (topographic tolerance)
__ Exception location requested
_X_ Stockpile topsoil
__ Stream Crossing Permit (other agency review)
_X_ Reclaim unused part of wellsite if productive
__ Special construction methods to enhance reclamation
__ Other _____

Comments: Access will be over existing county gravel road. About 5/8 of a mile of new access will be built into this location from the existing county road. Cuttings will be buried in and unlined earthen pit. Drilling fluids if used will be allowed to dry in the pit. Pits will be backfilled after drying. No special concerns.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: Closest residence is about ½ of a mile to the northwest from this location.
Possibility of H2S: No H2S anticipated.
Size of rig/length of drilling time: Small drilling rig/short 3 to 4 days drilling time.

Mitigation:

_X_ Proper BOP equipment
__ Topographic sound barriers
__ H2S contingency and/or evacuation plan
__ Special equipment/procedures requirements
__ Other:_____

Comments: Adequate surface casing and operational BOP should mitigate any problems. No concerns

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified): None identified.
Proximity to recreation sites: None identified.
Creation of new access to wildlife habitat: No
Conflict with game range/refuge management: No
Threatened or endangered Species: Only species identified as threatened or endangered is the Black-footed Ferret. Natural Heritage Tracker website lists the Peregrine Falcon as a species of concern.

Mitigation:

__ Avoidance (topographic tolerance/exception)
__ Other agency review (DFWP, federal agencies, DSL)
__ Screening/fencing of pits, drillsite

__ Other:_____
Comments: Private cultivated surface lands(CRP). No concerns.

Historical/Cultural/Paleontological

(possible concerns)
Proximity to known sites: None identified
Mitigation
__ avoidance (topographic tolerance, location exception)
__ other agency review (SHPO, DSL, federal agencies)
__ Other:_____
Comments: Private cultivated surface lands(CRP). No concerns.

Social/Economic

(possible concerns)
__ Substantial effect on tax base
__ Create demand for new governmental services
__ Population increase or relocation
Comments: No concerns.

Remarks or Special Concerns for this site

Well is a 2900' Rierdon Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but can be mitigated.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): /s/ Steven Sasaki
(title:) Chief Field Inspector
Date: October 12, 2010

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)
Toole County water wells.
(subject discussed)
October 12, 2010
(date)

US Fish and Wildlife, Region 6 website

(Name and Agency)
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES
MONTANA COUNTIES, Toole County
(subject discussed)
October 12, 2010
(date)

Montana Natural Heritage Program Website (FWP)
(Name and Agency)
Heritage State Rank= S1, S2, S3, Section 35 T32N R4W
(subject discussed)

October 12, 2010
(date)

If location was inspected before permit approval:
Inspection date: _____
Inspector: _____
Others present during inspection: _____